

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: KANEB PIPE LINE OPERATING PARTNERSHIP, L.P. AND KOCH PIPELINE COMPANY, L.P.	DOCKET NO. HLP-97-0001
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ORDER APPROVING SALE AND TRANSFER OF PERMIT NO. N0021

(Issued November 26, 2002)

On December 4, 1996, the Iowa Utilities Board (Board) issued Permit No. N0021 to Koch Pipeline Company, L.P. (Koch). The permit includes approximately 312 miles of 8-inch diameter pipeline in Lee, Henry, Washington, Keokuk, Iowa, Poweshiek, Tama, Marshall, Grundy, Hardin, Franklin, Cerro Gordo, Hancock, Kossuth, Palo Alto, and Clay counties. The permit also includes approximately 121 miles of 6-inch pipeline in Clay, Buena Vista, Cherokee, Ida, Woodbury, Monona, and Harrison counties and approximately 18 miles of 4-inch pipeline in Lee, Marshall, Hancock, Clay, and Ida counties. The pipelines are for the transportation of gas, oil, petroleum, and petroleum products (including but not limited to, anhydrous ammonia) or derivatives, or other liquids, gases, or substances, which can be transported through pipelines.

On November 1, 2002, Kaneb Pipe Line Operating Partnership, L.P. (Kaneb), filed a petition requesting approval of the sale and transfer of Permit No. N0021 from Koch to Kaneb. Koch filed a petition for approval of the sale and transfer on

November 7, 2002. Kaneb owns and operates other hazardous liquid pipelines or underground storage facilities in Iowa pursuant to Iowa Code chapter 479B. The sale and transfer of the hazardous liquid pipeline system was effective November 1, 2002.

Subrule 199 IAC 10.19(1) requires approval of the Board before a permit may be transferred. Based upon the information in the two petitions, the Board finds that Kaneb has satisfactorily demonstrated that it is authorized to do business in Iowa and is willing and able to operate and maintain the hazardous liquid pipeline. The Board will approve the transfer of Permit No. N0021 from Koch to Kaneb.

IT IS THEREFORE ORDERED

The transfer of Permit No. N0021 from Koch Pipeline Company, L.P., to Kaneb Pipe Line Operating Partnership, L.P., is approved.

UTILITIES BOARD

/s/ Diane Munns

/s/ Mark O. Lambert

ATTEST:

/s/ Judi K. Cooper
Executive Secretary

/s/ Elliott Smith

Dated at Des Moines, Iowa, this 26th day of November, 2002.